



House of Representatives

General Assembly

File No. 423

January Session, 2017

Substitute House Bill No. 6587

House of Representatives, April 5, 2017

The Committee on Higher Education and Employment Advancement reported through REP. HADDAD of the 54th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE STANDARDIZATION OF FINANCIAL AID LETTERS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2017*) The public and
2 independent institutions of higher education shall collaborate to create
3 a standardized financial aid letter to be provided to each student
4 enrolled at any institution of higher education in this state. Such
5 standardized financial aid letter shall consist of the following: (1) A
6 section itemizing all grants, scholarships and federal loans awarded to
7 the student; (2) a section itemizing all funding that the student may be
8 eligible to receive, including, but not limited to, work-study
9 opportunities and Parent PLUS Loans; and (3) a glossary that includes
10 definitions of terms used in such standardized financial aid letter,
11 including, but not limited to, grant, scholarship, loan and work-study.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2017</i>	New section

HED *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill has no fiscal impact as the higher education constituent units have sufficient expertise to change their student financial aid letters to a standardized format.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis

sHB 6587

AN ACT CONCERNING THE STANDARDIZATION OF FINANCIAL AID LETTERS.

SUMMARY

This bill requires public and non-profit private institutions of higher education in the state to collaborate to create a standardized financial aid letter to be provided to each student enrolled at a state institution of higher education. By law and unchanged by the bill, each public or private institution of higher education in the state must provide uniform financial aid information to every prospective student who has been accepted for admission into the institution (see BACKGROUND).

The existing law on uniform financial aid information applies to public institutions and all private institutions (CGS § 10a-55u). The bill does not apply to for-profit private institutions.

EFFECTIVE DATE: October 1, 2017

STANDARDIZED FINANCIAL AID LETTER

Under the bill, the standardized financial aid letter must consist of the following:

1. a section itemizing all grants, scholarships, and federal loans awarded to the student;
2. a section itemizing all funding the student may be eligible to receive, including, but not limited to, work-study opportunities and Parent PLUS Loans (see BACKGROUND); and
3. a glossary with definitions of terms used in the standardized financial aid letter, including grant, scholarship, loan, and work-

study.

It is not clear whether the state can require private entities, such as the independent institutions of higher education, to collaborate with public colleges and universities on a project. Also, the bill does not give any agency or other entity the duty of ensuring the collaboration takes place.

BACKGROUND

Institutions of Higher Education

State law divides institutions of higher education in Connecticut into three groups: (1) public colleges and universities, (2) non-profit private institutions, and (3) for-profit private institutions.

Public colleges and universities are known as the constituent units of the state system of higher education and include the following:

1. UConn,
2. the Connecticut State University System,
3. the regional community-technical colleges, and
4. Charter Oak State College (CGS § 10a-1).

PLUS Loans

Parent PLUS loans, also known as Direct PLUS loans, are U.S. Department of Education loans awarded through participating educational institutions for (1) parents of undergraduate students or (2) graduate or professional students. The loans are used to pay for education expenses not covered by other loans.

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable Substitute

Yea 21 Nay 0 (03/21/2017)